

**ZAMBIA TRADE AND INVESTMENT ENHANCEMENT PROJECT
(ZAMTIE)**

Contract Number 690-C-00-00-00283-00

Supported By: United States Agency for International
Development (USAID)

Implementing Contractor: Nathan Associates Inc
2101 Wilson Boulevard, Suite 1200
Arlington VA 22201

Sub-contractors: Independent Management
Consulting Services Ltd
Aurora Associates International, Inc
Cargill Technical Services
JE Austin Associates, Inc

**U.S MARKET OPPORTUNITIES AND AGOA WORKSHOP
REPORT**

Compiled and Edited by:

Trevor Simumba

Bwalya Penza

April 2002

55 Independence Avenue
PO Box 39398, Lusaka, Zambia
Tel: (260-1) 251177/251127 Fax: 251141 E-mail:ronblack@coppernet.zm

TABLE OF CONTENTS

I	INTRODUCTION.....	3
II	OPENING SESSION	3
III	AGOA AND ZAMBIA	5
IV	EXPORT READINESS OF ZAMBIAN FIRMS	8
V	UNITED STATES IMPORT PROCEDURES & REGULATORY REQUIREMENTS	9
VI	EXPORT OPPORTUNITIES TO THE UNITED STATES	10
VII	GLOBAL TECHNOLOGY NETWORK (GTN)	13
VIII	PLENARY	14

ANNEXES

- A: Workshop Programme
- B: Official Opening Address by the Permanent Secretary of the Ministry of Commerce Trade and Industry of the Republic of Zambia, Dr Mbikusita Lewanika
- C: Opening the US Market to Zambian Exports – Presentation by Ms Shawna Turner
- D: US Sources of Financing for Trade & Investment
- E:
 - United States Import Procedures & Regulatory Requirements
 - Export Opportunities to the United States – Presentations by Mr Michael Blakeley
- F: Textile Certificate of Origin
- G: Global Technology network (GTN) – Presentation by Mr Moses Simemba
- H: List of Participants who attended the Workshop

I INTRODUCTION

This report gives a summary of the US Market Opportunities and AGOA Workshops held on Monday 8th April 2002 at Chrismar Hotel – Lusaka, Wednesday 10th April 2002 at Tuskers Hotel – Kabwe and Thursday 11th April 2002 at Mukuba Hotel – Ndola.

The workshop was organised by Zambia Trade and Investment Enhancement (ZAMTIE) in collaboration with the Ministry of Commerce, Trade and Industry. ZAMTIE is a USAID funded project, whose general objective is to help facilitate trade and investment in Zambia by helping reduce barriers to trade and investment, building capacity within the private and public sectors and fostering linkages, particularly to optimise rural income-generating investment and trade opportunities between and among producers, suppliers, processors, traders and consumers within and outside of Zambia.

Dr Mbikusita Lewanika, Permanent Secretary at the Ministry of Commerce, Trade and Industry of the Republic of Zambia, officially opened the workshop. Presentations were given by Ms Shawna Turner, AGOA Advisor for the Southern Region, RAPID, Botswana and Mike Blakeley of Nathan Associates, USA. Presentations were also given by Mr Glyne Michelo and Mr Justin Machila of Export Board of Zambia and Moses Simemba, Global Technology Network – Zambia.

A keynote address was also given by Mr Gerald Tembo, Acting Director of Trade, Ministry of Commerce Trade and Industry.

II OPENING SESSION

Welcoming Remarks by the Private Sector Development Specialist – ZAMTIE, Mr Trevor Simumba.

In his opening remarks Mr Simumba welcomed the participants to the workshop and urged them to take an interactive approach in order for all stakeholders to benefit from the workshop. He stated that there were vast opportunities for Zambia under AGOA and it was up to the business community to put these opportunities to their advantage by identifying products they could produce and export to the USA under AGOA and the Generalised System of Preferences.

Mr Simumba also introduced ZAMTIE Chief of Party, Dr Ronald Black as well as the two presenters Shawna Turner and Mike Blakeley.

Keynote Address by Mr Gerald Tembo, Acting Director of Trade, Ministry of Commerce Trade and Industry – Zambia

In his address, Mr Tembo emphasised the strength of the partnership the Zambian Government has with the US Government under USAID and the US Embassy in Zambia, in reaching out to the business community in Zambia and encouraging them to take up the challenges and opportunities that are presented under AGOA.

He further stressed that Government was working hard to make the cost of doing business cheaper by creating a more friendly macro-economic environment through, the reduction of interest rates and inflation rates and the stabilisation of foreign exchange rates.

Mr Tembo highlighted Government's commitment to Private Sector led growth, stating that Zambia National Commercial Bank (ZANACO), Development Bank of Zambia (DBZ), National Credit and Saving Bank (NCSB) – under MCTI, were being restructured to allow for easier access to short term finance for the business community. He also named Africa Development Bank (ADB) as a good source of finance, as they are actively seeking opportunities relating to AGOA.

Official opening address by the Permanent Secretary of the Ministry of Commerce Trade and Industry of the Republic of Zambia, Dr Mbikusita Lewanika.

In his opening statement Dr Lewanika expressed gratitude to ZAMTIE, USAID, and the US Embassy in Lusaka for complimenting the efforts of Government through MCTI in sensitising the business community on the opportunities available under AGOA.

He further stated that since Zambia's accession to the AGOA textile provisions, a number of initiations such as trade missions and targeted seminars would be put in place to try and reach out to the beneficiaries exporting to the US market.

Furthermore, the Permanent Secretary stressed that AGOA was not only targeted at the textile sector but also a wide list of eligible products. He urged the business community to take advantage of this opportunity, which will only last for eight years before the first review.

In addition, the Permanent Secretary pointed out the following, as problems the business community face in trying to take advantage of AGOA benefits:

1. Capacity to raise trade financing for exporters.
2. Difficulties in marketing Zambian products in the US.
3. Delays in Pest Risk Assessment (PRA) mechanism by US Government for Zambian agricultural products.
4. Lack of access to capital, technical transfer know how and financial assistance to recapitalise textile industries.

In conclusion, Dr Lewanika urged all participants to take full advantage of the opportunities. A copy of this statement is attached at Annex B.

III AGOA AND ZAMBIA

<u>Presenter</u>	-	Shawna Turner, AGOA Advisor for the Southern Region, USAID/RAPID Project, Gaborone, Botswana
<u>Moderator</u>	-	Trevor Simumba, Private Sector Development Specialist, ZAMTIE, Lusaka Zambia

Overview of Presentation – Opening the US Market to Zambian Exports

(A full copy of this presentation is provided at Annex C)

All SADC countries with the exception of Democratic Republic of Congo (DRC), Angola and Zimbabwe are AGOA eligible countries and qualified under the Generalised System Preferences (GSP) benefits.

There are over 6000 goods on the GSP list. AGOA has extended GSP and apparel benefits for SSA until September 2008. Currently, Africa is the only region in the world exporting duty and quota free to the US under the GSP programme.

Regulatory Requirements for AGOA GSP Exports

In order to qualify, an export must be the growth, product or manufacture of the beneficiary country produced entirely from materials which originate from that country, or imported materials from non-beneficiary country must be substantially transformed into a new and different article. For example, if Zambia imports leather from DRC that leather has to be transformed into something else e.g., watch band or shoe, i.e. the tariff code has to change. 35% of product value – added must come from AGOA beneficiary countries and up to 15% can come from the USA. Furthermore, the 35% value added requirement can be accumulated between AGOA beneficiary countries, so for example Zambia and Malawi can put their materials together to reach the 35% value added.

Export Strategy for AGOA and GSP

In order to get the higher duty benefits under AGOA a beneficiary country should increase the value added on exports. For example, Zambia has a much more developed leather sector than most SADC countries. Zambia should therefore take this opportunity and make it work to her advantage, by manufacturing footwear for instance. The US produces almost none of its own footwear and is paying at least 25% duty on shoes. Zambia would therefore have a 25% advantage over non-GSP beneficiaries if it exported footwear to the USA. A notable example is Sierra Leone who have increased their exports on footwear to US from \$134,000 in 2000 to \$854,000 in 2001.

Duty and Quota-free Eligibility for Textiles and Apparel

Nine apparel groupings qualify for quota and duty free entry into the US market. All eligible countries in SADC, including Zambia, have approved AGOA Apparel Visa Systems. Lesotho currently leads the region in production with exports to the USA worth approximately \$30 million.

Special Rule for Apparel

Apparel visa groupings are grouped 1 – 9, certificate of origin uses letter A – I so 1 = A and 9 = I. Group 5 or E have a special rule. This least developed beneficiary status is available only up to 30th September 2004. These rule states that while a garment has to be wholly assembled in an AGOA LDC beneficiary country(s) the fabric can originate from any other country. So for example Zambia can assemble a garment using Chinese fabric, and still qualify under the Special Rule for AGOA preferences. Zambia – China Mulungushi Textiles are planning on doing this in the near future.

Grouping 9 Products

There is a category (visa grouping) which is especially geared to benefit cottage industries. These are hand knotted, hand made and folklore products, traditional to each beneficiary country.

A consultant is being brought in to the SADC region to devise a list for this group for the US Trade Department to use. Currently, samples can be sent to the US through the US Embassy to determine AGOA eligibility, at no cost at all. The process to determine whether or not the product is eligible under AGOA should take no longer than 90 days.

Lessons for Exporters

It is vital that exporters are knowledgeable about the rules for exporting under AGOA, if they are not it could end up being very costly for them to export. For example, a garment manufacturer in Lesotho used pre-made collars from a non AGOA LDC beneficiary country, on shirts manufactured in Lesotho. This manufacturer was not granted a visa as the rule specifies that garments have to be wholly assembled in an AGOA LDC beneficiary country. The importers of this product would therefore have had to pay duty and needless to say did not do business with that Lesotho Company again.

AGOA II

AGOA II now doubles the number of garments that can be imported into the United States over the eight year programme. However, there is no provision for providing LDC Benefits (Grouping 5) beyond 2004.

Question and Answer Session

The meeting agreed that it would be to Zambia's advantage to cluster small scale industry to fit into grouping 9 (folkloric, traditional products). It was felt that this way they would be more productive.

It was agreed that, lack of financial resources was a major hindrance to small/medium scale business. A list of sources of finances from USA was given to the participants. This list is attached at Annex D. In addition, the meeting was informed that the African Development Bank is actively seeking opportunities relating to AGOA.

By 2005 quotas of textiles and apparel (on non-GSP beneficiary countries) will be removed and only tariffs will apply. The meeting wanted to know how Zambia would compete with China and other countries in the Far East after 2004. Tariffs on apparel are average about 17.5%, so Zambia has a 17.5% buffer or comparative advantage.

In the same light, it was observed that in the last 2 years about 200 Mauritian firms, which had set up in Madagascar, were leaving because of the political unrest in the country. These firms are looking for somewhere else to set up, it would therefore be in Zambia's best interest to put together an attractive investment package that would lure some of these investors to Zambia. Zambia has the cotton and the ginneries and the Mauritians can provide the technology and the know-how as they have been in the textile industry for many years and have hands on experience.

The meeting observed that Zambia was having difficulties in exporting agricultural products to the US market. This was largely attributed to sanitary and phyto sanitary requirements and the delays in carrying out of Pest Risk Assessment (PRA) by the US Government. Currently, Zambia is exporting mangetout and snow peas to the USA.

The PRA issue is a priority with RAPID who have a consultant working with the US Government to address this issue. It was noted that the PRA related to fresh fruits and vegetables only. Zambia could therefore, try and penetrate the US market by exporting canned or dried fruits and vegetables.

In response to an inquiry about a market assistance programme under AGOA, Ms Turner stated that there were very few of these under USAID. It was suggested that companies liaise closely with the Export Board of Zambia (EBZ) and Global Technology Network (GTN), who were better suited to offer such assistance/information.

The Ndola workshop suggested that trade shows could be organised in Zambia and US investors would be invited to attend these. In this way Zambian companies would exhibit their products to potential investors/buyers. The meeting was informed that the Overseas Private Investment Corporation (OPIC) was expanding its investment facility beyond \$200 million and at the time of the workshop Zambia Investment Centre and other government agencies were in Johannesburg, South Africa promoting with Zambia's investment potential at a similar meeting organised by OPIC.

GTN stated that they were in the process of organising a gem stone buyer/seller meeting on the Copperbelt, trying to get US Gem Stones buyers to come to Zambia. However, if it is not possible to arrange for US buyers to come to Zambia, GTN will try and facilitate a trip for Zambian gemstone sellers to exhibit their products at a trade show to be held in New York in October 2002.

A unique situation was raised in Kabwe where Zambia China Mulungushi Textiles stated that the company was having problems exporting because customs officials were not convinced that their garments were Zambian and felt they actually originated from China which resulted in problems with the granting of a visa. It was suggested that "China" be removed from the name of the company since it was causing complications and delays in export.

The meeting was also informed that both COMESA and SADC Secretariats were examining possibilities of organising regional trade fairs and bringing investors to the region. The meeting was further informed that the US Government had set aside a substantial amount of money for an AGOA trade desk at the COMESA Secretariat in Lusaka. COMESA has signed a framework agreement with USAID – Redso who will fund AGOA activities.

IV EXPORT READINESS OF ZAMBIAN FIRMS

- Presenter - Glyne Michelo, Corporate Planner, Export Board of Zambia (Lusaka workshop)
- Justin Machila, Export Board of Zambia (Kabwe and Ndola workshops)
- Moderator - Trevor Simumba, Private Sector Development Specialist – ZAMTIE

Overview of Presentation

The Export Board of Zambia (EBZ) is a Government agency developed by an Act of Parliament whose mandate is to develop and promote Non-traditional Exports (NTEs) from Zambia. NTEs include all products that are not copper, cobalt, lead or zinc.

The EBZ has three departments:

1. Product Market Development Department

This department is responsible for conducting surveys, trade missions, trade fairs and market research in foreign countries.

2. Trade Information Department

This is the department that disseminates the information (reports) from surveys/market research carried out. The EBZ has a library containing all this information. Exporters can subscribe to EBZ and receive a newsletter monthly informing them of all export related activities in Zambia, the region and the rest of the world. EBZ has been appointed as a trade point in UN/COMESA region, it is linked to 83 countries.

3. Administration Department

This handles the general administrative duties of the organisation.

Zambia is currently exporting gemstones, paprika, marigold, handicrafts, wood and wood products. In addition, roses are being exported to Europe via the Dutch auction often end up in the USA. Zambia is also indirectly exporting to the USA under AGOA. Swarp Spinning Mills is exporting its yarn to South Africa and Mauritius who are processing the product and exporting the finished product to the USA. Zambia China Mulungushi Textiles is doing the same with Lesotho.

The challenge has been thrown to the private sector to invest in and produce what is required for export under AGOA. Zambian firms have the capacity to take up this challenge as they are already regularly exporting to the European market.

Zambia China Mulungushi Textiles will start producing garments specifically for the US market. The firm is taking advantage of Zambia's Grouping 5 status (AGOA LDC beneficiary), by using fabrics from China to manufacture garments for export to the US market.

The EBZ has worked closely with ZAMTIE on the Zambian Export Products Research study to assess AGOA and US market import regulatory requirements. (This report was distributed to all the participants at the workshops).

EBZ is also working closely with GTN in trying to organise a buyer/seller meeting with gemstone buyers from the USA, to be held on the Copperbelt in June 2002.

V UNITED STATES IMPORT PROCEDURES & REGULATORY REQUIREMENTS

Presenter - Michael Blakeley, Nathan Associates Inc. USA

Moderator - Glyne Michelo, Corporate Planner, Export Board of Zambia (Lusaka workshop)

- Justin Machila, Export Board of Zambia (Kabwe and Ndola workshops)

Overview of Presentation

(This presentation is attached at Annex E)

Regulatory Agencies for Imports into the United States

United States customs is the main body for regulating imports. It is responsible for assessment and collection of import duties. US customs collaborates with other agencies to enforce import regulations. Customs officers are present at every US port and airport.

Regulatory Agencies

- US Food and Drug Administration (FDA)

This is the agency responsible for the safety of all foods, cosmetics, medical devices and drugs. The FDA has to approve all food imports for clearance into the US market.

- US Department of Agriculture (USDA)

This is the main body responsible for regulating all agricultural products. USDA's regulatory activities are enforced through:

- i. Animal and Plant Health Inspection Service (APHIS) - Governs the import and export of all plant, animals, and certain agricultural products.
- ii. Environmental Protection Agency (EPA) – Sets tolerance levels for pesticides in food, which is enforced by the FDA.
- iii. Bureau of Alcohol, Tobacco and Firearms (ATF) – Responsible for enforcing laws covering production, distribution, and labelling of alcoholic beverages.

- iv. National Marine Fisheries Services (NMFS) – Oversees fisheries management in the US and provides inspection services to the FDA for seafood imports.

Import Procedures for the United States

All imports are subject to the same regulations of admissibility enforced by the specific US agencies mentioned above. Relevant agencies carry out specific duties in the import ‘clearance’ procedure.

All necessary documentation for the import must be sent to customs. This can be done by a customs broker. Documentation includes:

- Customs entry form
- Evidence of right to make entry (Bill of Lading)
- Commercial Invoice from exporter
- Packing list, if appropriate
- Other necessary documents to determine merchandise admissibility such as Textile Certificate of Origin (A copy of this is attached at Annex F)

In the case of food imports the FDA must clear the item for entry into the US, Customs will always notify the FDA. In addition, the USDA will inspect all agricultural products at the port of entry, this is carried out by APHIS inspectors. Under Plant, Protection and Quarantine (PPQ) certain items must have a PRA to qualify for entry.

In order to ensure faster customs clearance an exporter must among other things:

- Make sure invoices contain detailed information and provide a detailed packing list
- Identify the contents of each box/unit in specific detail
- Establish sound security procedures at your facility for transporting good for shipment. The exporter should not allow the opportunity for smugglers to introduce something into your shipment.

VI EXPORT OPPORTUNITIES TO THE UNITED STATES

Presenter - Michael Blakeley, Nathan Associates Inc. USA

Moderator - Glyne Michelo, Corporate Planner, Export Board of Zambia (Lusaka workshop)

- Justin Machila, Export Board of Zambia (Kabwe and Ndola workshops)

Overview of the Presentation

(This presentation is attached at Annex E)

There is a drive in the US for firms to do the buying directly from the source rather than from suppliers within the US. Firms are therefore always looking for cheaper sources of supply from all over the world.

Zambia's Export Performance to US

US imports from SSA under GSP and AGOA reached US \$10.0 billion for 2001. The leading product categories were:

- Energy and energy related products
- Textiles and apparel
- Transport equipment
- Agricultural products

Zambia's exports to US for 2001 totalled US \$15.6 million, this is a decrease of 12% from the year 2001. Zambia's share of total SSA exports under GSP and AGOA is less than 1%. The leading Zambian exports to US were:

- Minerals and metals (\$12.4 million)
- Forest products (\$1.26 million)
- Agricultural products (\$1.21 million)
- Textiles and apparel (\$0.23 million)

US Market Characteristics

The US import market is very complex. There are many firms that have the capacity to import their products, these include:

- distributors
- wholesalers
- retail chain stores
- large grocery store drains
- manufacturers (raw materials or supplementing production)
- traders/brokers/agents
- small business
- individuals

Consumer spending on goods continues to rise annually. US consumers demand a diverse range of products and are open to purchasing imported goods. Manufactured food products and curios are especially appreciated as imports. Quality is a key factor. US consumers will pay relatively high prices for goods if they perceive it as a quality product.

In choosing a foreign supplier a US importer looks at the following criteria:

- dependable supplier
- quality of product and supply
- logistics of importing
- methods of payment
- business with Africa

The easiest method to locate potential US customers is by making a search via the Internet. In addition, Trade Shows located in the US are an excellent, rapid way to learn of the main players in your industry. Furthermore, locating trade associations representing specific industries is an excellent way of locating potential customers.

At present there is no specific US agency responsible for helping foreign firms sell into the US market. Many agencies will however, advise on import requirements. GTN does however link US buyers/sellers with Zambian (African) buyers/sellers.

When exporting, it is important to stay in contact with the buyer until the product has cleared customs and arrived at his/her warehouse in good condition. An efficient transaction on the first shipment is the best way to ensure continued business.

Question and Answer - EBZ

The meeting wanted to know what kind of market research EBZ carried out in other countries.

The EBZ carried out a study in the Democratic Republic of Congo (DRC) looking at what products Zambia could supply there. The EBZ then targeted Zambian companies with the potential to supply the DRC market. As a result of this market research, Zambia is now looking to buy/rent a warehouse in DRC to deliver supplies to. This is just one example of the sorts of studies carried out by the EBZ.

In response to a question on why the EBZ did not have provincial offices, Mr Machila stated that EBZ was looking into opening one in Ndola, however, the organisation was restricted by the fact that it receives its funding from Government and these are limited resources.

It was suggested that the EBZ work through the chambers of commerce and producers association in the districts, since when EBZ sends information to ZACCI this information rarely filters through to the provincial chambers of commerce who are ZACCI members. It was further suggested that the EBZ should also disseminate its information through public libraries.

Question and Answer – US Import Regulations

In a response to a query on the penalties levied on an importer who has a shipment sized by US customers, the presenter stated that there is a thirty-day period in which a product can stay in bond, to allow for an importer to make a claim. If a consignment stays for longer than the thirty-day grace period, it becomes expensive for the importer who has to pay for each additional day. Furthermore, if the product is not destroyed or re-exported the importer may have to pay for legal action, which can be lengthy.

It was stressed that exporters must ensure that all their documentation is in order to avoid problems with customs. This is especially true for perishable goods. When things go badly for the importer, he/she may never deal with you again.

Also, when dealing with letters of credit, most importers will not pay until the goods have cleared customs. So it is in the exporters best interest to ensure everything is in order for goods to clear customs.

The meeting wanted to know if there is anything under AGOA that helps take away the negative perception that Americans have of Africa. The presenter stated that the purpose of AGOA was to encourage US and SSA countries to start doing business together. It is up to the African firms to supply good quality products to eliminate this perception. Japan for instance had a reputation for supplying cheap, low quality products; they now produce superior products and have countered this negative perception. It is therefore up to African firms to change this perception by producing the best that they can.

It was stressed however, that firms should make sure that their products are sellable and there is a market for them in the US before they begin production.

VII GLOBAL TECHNOLOGY NETWORK (GTN)

Presenter - Moses Simemba, GTN – Zambia Programme Manager, Lusaka

Overview of the Presentation

(A full copy of this presentation is attached at Annex G)

The Global Technology Network (GTN) is a US Agency for International Development (USAID) programme designed to create strategic business linkages between US and developing country companies. Originally, the main thrust of the GTN programme was to assist in the transfer of technology to Africa in general and Zambia in particular. The transfer is intended to help expand production capacity, improve quality of products, and contribute to job creation and economic growth. This would be achieved by creating sustainable private sector linkages between US and Zambian companies focusing on the following for key areas:

1. Agriculture
2. Information Technology
3. Environment and Energy
4. Health

GTN is now extending its services to enable companies within the African region to do business together. This involves selling their products and services, initiating long-term business relationships with one another, and/or agents/distributors in other countries.

More recently, GTN is promoting all horizon trade, which means creating business/trading linkages all over the world. In addition, the programme also looks at the following industry sectors:

1. Mining
2. Tourism
3. Manufacturing
4. Transport
5. Consumer goods

How the GTN programme works.

Zambian firms willing to do business with US/Africa/rest of the world counterparts, will register their requests with GTN. A GTN representative will meet with the firm to gather detailed information regarding the company's business request. Once GTN is satisfied that the request meets set requirements it will be registered on the web based GTN platform either as a buy or sell profile (depending on the request). The request is then matched with firms around the world, registered with the GTN programme. Once a business request has been disseminated, GTN will also assist local firms in responding to US/rest of the world firms' letter of interest. The GTN service is offered free of charge.

VIII PLENARY

The meeting agreed that the issue of the price of Zambian cotton needed to be addressed. Currently, suppliers are charging the Liverpool index price and a premium (because of the financing cost of storage). This was compared with Tanzania, where firms buy their cotton straight from the ginneries and do not pay the Liverpool Index price. Their cotton is therefore cheaper than Zambian cotton. It was noted that this was the case in Zambia before Lintco was privatised.

The Zambia National Farmers Union stated that the major constraint for outgrowers was the legal framework, which was not adequate to provide them with protection. It was noted however, that there was a provision in the 2002 National budget for K15 billion to finance outgrower schemes such as cotton, paprika, tobacco and cotton.

In addition, the Small Claims Act was also being amended to enable farmers/micro finance institutions owed small amounts of money access to a speedy trial. The meeting felt that Government needed to give incentives to exporters that would help them to compete with the rest of the world, especially now that they have the added advantage of AGOA.

ZAMTIE reported that they were currently holding discussions with the textile industry and Government on the possibilities of conducting a study on the whole vertical chain from cotton production to textiles and apparel.

Furthermore, MCTI stated that they are working with Ministry of Finance and National Planning and Zambian Revenue Authority to ensure an administrative arrangement is in place for Export Processing Zones (EPZs) by September 2002.

The meeting felt that transportation infrastructure in Zambia was a major issue. It was suggested that a study should be conducted on the feasibility of having tollgates on major roads to help finance road infrastructure maintenance and development. In addition, the meeting was informed that RAPID were looking at developing the Dar-es-salaam quarter so that landlocked countries (like Zambia) can have easy access to the Dar-es-salaam seaport.

The meeting suggested that when holding workshops in the future, it would be useful to have participation from all stakeholders. For example, when discussing textiles, it would be useful to involve farmers (ginners) and transporters, to have a fuller picture of the issues.

A major constraint for exporting companies was lack of finance. This was especially the case for attending trade shows, which are very useful in finding a market for goods. The meeting was informed of the Matching Grant Scheme, was is prepared to fund 50% of the cost for firms say for example if they want to attend a trade show and need financial assistance. The maximum the scheme approves is \$75,000, however this can be drawn in stages, for example, if the firm raise \$5,000, the matching grant scheme will pay the other \$5,000 and so on until the \$75,000 quota is reached.